



Dominion Elections, 1882.

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EDWARD BLAKE

AND

LIBERAL PRINCIPLES,

ANTI-MONOPOLY

AND

PROVINCIAL RIGHTS.

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**PAMPHLET No. 2:**

Hon. Edward Blake's Address.

The Trade Question.

Special Duties---Sugar, Coal, &c.

The Treaty-making Power.

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# LIBERAL LEADER

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TO THE FREE AND INDEPENDENT ELECTORS OF  
WEST DURHAM :

GENTLEMEN,

The Government, which but a brief space since was craving a longer trial before judgment, has prematurely dissolved Parliament, and precipitated a general election.

For what reason? Because it felt that it would be weaker next year than it is to-day, and that its only chance of victory lay in a surprise! But it has not ventured to appeal to the constituency of 1878.

## **IT HAS PACKED THE JURY.**

By an iniquitous measure it has concentrated in a few districts large numbers of Liberal voters, in order to weaken the effective Reform strength in many ridings, to impair the prospects of election of leading Liberals, and, if possible, to turn a minority of the people into a majority in Parliament.

For these purposes it has disregarded the county bounds, disturbed the electoral districts, and violated long-standing associations of friendship, business, and convenience throughout the greater part of Ontario.

But even this was not enough.

Repealing the law which makes sheriffs and registrars the return-

ing-officers, it has taken power to appoint where it pleases its own nominees to do its work, and to re-enact the scenes of ten years ago when men defeated at the polls in Muskoka and West Peterboro' were made into members of Parliament by the will of these officials.

Such acts are subversive of those principles of justice, equality and fair play, on which our constitution rests, and which give a moral sanction to the laws.

They show that Government, notwithstanding all its boasts, feels itself beaten in a fair fight, and so attempts foul play.

We are appealing to all good men, without distinction of party, to rebuke this gross abuse of power, and to show its authors that though they may exchange townships and cut up counties as they like, the votes of the electors on whom they count cannot be transferred to the supporters of iniquities like these.

We are calling not only for an enthusiastic, vigorous and organized effort on the part of Reformers, but also for the support of many, heretofore indifferent or hostile, who will yet decline to become accomplices in this transaction. And our call is answered ! Such a spirit has been aroused among the people at large as I have not seen before—such a spirit as warrants the belief that the attempt will fail of its base purpose, and will recoil with just severity on the heads of the concoctors and supporters of the plot !

### **BROKEN PLEDGES AND ADDED BURDENS.**

On what do the Government ask a renewal of your confidence ?

On a record of broken pledges and of added burdens.

They promised that they would not increase the rate of taxation ; they have enormously increased it.

They denounced the former scale of expenditure ; they have largely raised it.

They declaimed against the additions which were made to the public charge in order to carry out a policy and engagements settled under their own former rule, and left by them as legacies to their successors in 1873 ; they have greatly added to that charge, and have, as far as in them lay, ensured the recurrence of a period of severe financial difficulty and distress.

They boast of an increased revenue ; due, so far as they are concerned, to increased taxation only.

They boast of an enlarged prosperity ; due not to them, but to the general revival of trade throughout the world, to large products at home, and high prices abroad.

### **THE PACIFIC RAILWAY CONTRACT.**

They pride themselves on their Pacific Railway contract. I condemn that bargain as improper, being made in secret, without public tender, contrary to the existing policy of the people and of Parliament, and opposed to the provisions of the law. I condemn it as extravagant, since the enterprise will cost us sixty million dollars and twenty-five million acres of the choicest lands, while the road is to belong to the company which will realize the cost of its part of the work out of its land and money subsidies.

I condemn it as outrageous, in conferring on the company a practical monopoly, for twenty years, of the trade of our North-West Territories, and large privileges and exemptions very valuable to them and still more detrimental to the public.

I condemn it as indefensible, being consummated in the face of a tender to perform the same obligations for three million dollars less money, for three million acres less land, without the monopoly of trade without the exemptions from taxation, and on other conditions much more favorable than those of the contract.

I condemn it as premature, since the true policy was to provide for the rapid completion of the line from Thunder Bay and for the immediate construction of railways through the prairie, and by securing the early development and settlement of the North-West to give value to our lands and a traffic for the road before contracting for the completion of the eastern and western ends.

The progress of the North-West is due to the work we did and proposed to do.

The difficulties and drawbacks which exist—very serious now and far more serious in the future—are due to the obnoxious terms of the contract.

One short year has vindicated our policy ! Who can doubt that, had it been adopted, we could to-day make a bargain for the undertaking infinitely better than that to which we are now committed ? The Government and Parliament declined to give you an opportunity of

deciding on the question. We have now to ask the popular judgment on the men who refused that opportunity and consummated that contract.

### **THE TRADE QUESTION.**

You know well that I do not approve of needless restrictions on our liberty of exchanging what we have for what we want, and do not see that any substantial application of the restrictive principle has been, or can be, made in favor of the great interests of the mechanic, the laborer, the farmer, the lumberman, the ship-builder, or the fisherman. But you know also that I have fully recognized the fact that we are obliged to raise yearly a great sum, made greater by the obligations imposed on us by this Government; and that we must continue to provide this yearly sum mainly by import duties, laid to a great extent on goods similar to those which can be manufactured here; and that it results as a necessary incident of our settled fiscal system that there must be a large, and, as I believe, in the view of moderate protectionists, an ample advantage to the home manufacturer.

Our adversaries wish to present to you an issue as between the present tariff and absolute free trade.

That is not the true issue.

Free trade is, as I have repeatedly explained, for us impossible; and the issue is whether the present tariff is perfect, or defective and unjust.

I believe it to be in some important respects defective and unjust.

We expressed our views last session in four motions, which declare that articles of such prime necessity as fuel and breadstuffs should be free; that the sugar duties should be so adjusted as to relieve the consumer from some part of the enormous extra price he is now liable to pay to a few refiners; that the exorbitant and unequal duties on the lower grades of cottons and woollens should be so changed as to make them fairer to the masses, who now pay on the cheapest goods taxes about twice as great in proportion as those which the rich pay on the finest goods; and that the duties on such materials as iron, which is in universal use, should be reduced, so as to enable the home manufacturer, to whom it is a raw material, to produce a cheaper article for the benefit of his home consumer and the encouragement of his foreign trade.

I believe that by changes of the character I have indicated monopoly and extravagant prices would be checked, a greater measure of fair play and justice to all classes would be secured, and the burden of taxation would be better adjusted to the capacity of the people who are to pay. Depend upon it, a day will come when by sharp and bitter experience we shall learn the truth ; and many who even now applaud will then condemn these particular incidents of the tariff.

But I believe that our brief experience has already convinced many former supporters of the need of amendment, and that a majority of the intelligent electors are in favor of such modifications in the direction I have pointed out as may be made with a due regard to the legitimate interests of all concerned.

### **THE NORTH-WEST LAND POLICY.**

I challenge the North-West land policy of the Government, which has in various forms given facilities for speculation, whereby great areas of the choicest lands are falling into the hands of middlemen, who will hold them till they exact from the immigrant large profits, thus at once retarding the development of the country and lessening the prosperity of the settler.

Our motto is, "THE LAND FOR THE SETTLER ; THE PRICE FOR THE PUBLIC."

### **CIVIL SERVICE REFORM.**

The Report of the Civil Service Commission shows that the existing system has resulted in bad appointments, extravagant salaries, the retention of unfit officers, the discouragement of many deserving men, and great injury to the public. It shows that the true remedy is the abolition of political patronage, the substitution of appointments by merit, and the reorganization of the system.

Agreeing in the main with these views, I believe that the new Act which proceeds on other lines, will not remedy the admitted evils.

Provision is needed to prevent improper practices in connection with tenders and contracts for public works ; but the Government has thwarted such legislation.

Those who have not forgotten the events of 1872 will know the reason why.

### **PROVINCIAL RIGHTS.**

Our provincial rights are amongst the chief jewels of our constitution ; and on their preservation rest the prosperity and the permanence of the Confederation.



Of these the most valuable—that indeed on which all else depends—is the right of effective local legislation on local affairs.

This right has been grievously infringed by the disallowance of the Streams Act, which dealt with a subject purely local, and in no wise conflicted with Dominion interests.

Its disallowance, on the ground that in the opinion of the Federal Cabinet it was not a proper Act, creates a dangerous precedent, and asserts a power destructive of the autonomy of the Provinces.

The majority of the late Parliament sanctioned, while we denounced, that disallowance.

It is now for the people to decide whether they will abandon or regain their threatened liberties.

### **THE ONTARIO BOUNDARIES.**

The respective Governments some years ago submitted the boundary question to the judgment of a commission of eminent, able, and impartial men. The fact was communicated to and discussed in Parliament, and although several sessions elapsed no adverse motion was proposed. On the contrary, Parliament without dissent voted the moneys necessary to carry on the reference, and thus adopted the policy.

It was the received opinion that the natural, reasonable and customary mode of settling an international question by arbitration would not be thereafter questioned.

The award was made in 1878; the present Government in 1879 declined to state its policy on the question; in 1880 it promoted the appointment of a partisan Committee of Inquiry; in 1881 it brought Manitoba into the controversy by its mode of enlarging her eastern limits; then it announced the opinion that Ontario did not comprise even her old settlements in the neighborhood of Fort William; and at length, in 1882, it took courage to declare to Parliament that the award should be disregarded in order to a struggle to contract, if possible, within those narrow bounds the limits of our Province.

The majority in the late Parliament has sanctioned, while we have condemned this action. It is for the people to decide whether the reference and award shall be repudiated or respected.

## REFORM OF THE SENATE.

The Senate is constituted on the principle of appointment for life by the Administration of the day, thus creating a legislative body responsible to no one, without provision to secure effective Federal representation, or the necessary degree of harmony between the two Chambers.

I think this plan defective, and out of keeping with the true principles of popular government as at this time developed.

I do not propose that the Provinces should be deprived of the right, which many value, of Federal representation in the present proportions, in a second chamber; but I would advocate the reduction of its numbers, and the election by the people of its members. Our own experience in Old Canada gives proof of the wisdom of this plan.

## THE TRUE NATIONAL POLICY.

I am in favor of a true national policy and of every measure tending to the real progress of our country and the fulfilment of its great destiny.

The other day I gave my heart and voice for the assertion of our right, as members of the Empire, to express our views on the subject of Ireland, a truly Imperial question, beyond our legislative competence, indeed, but in which, notwithstanding, we have from many points of view a most substantial interest; and I congratulate you on the action to which Parliament agreed.

It is a main ingredient in our national progress that we should secure a larger trade and a freer access to the markets of the world.

Our efforts in this direction have hitherto been abortive.

I believe that a fuller freedom to manage for ourselves this part of our own affairs would give a better prospect of success; and, as advocates of a truly national policy, we have recorded these views in a motion, which was defeated in Parliament, but for which I ask a verdict at the polls.

Gentlemen, the occasion is a grave one.

To the people is now remitted the opportunity of judging of the conduct of its rulers and of settling the lines on which public affairs shall be conducted, for five years at any rate, and mayhap for a much longer time.

I hope to be able, before the close of the election, to explain at greater length my opinions on public affairs ; but I have thought it right, at the earliest moment, to state frankly my views on some important questions as fully as is compatible within the limits of an address.

I cannot expect every one, even of my own supporters, to concur entirely in every sentiment I express.

Men's minds are not so constituted that one can hope to secure such absolute and complete assent.

It is on a large, general, and comprehensive view that we must act. If in the main you differ from me, it is your duty to reject me as unsuited for your service ; and I shall accept your decision with unfeigned respect and unabated friendship.

But if in the main you value the principles and approve the policy I have announced ; if you are prepared to condemn the fraud which would cheat our people of a fair representation, the wrong which would deprive us of our Provincial rights, the injustice which would repudiate an international award, the crime which has placed our future in the North-West in the hands of a great monopoly ; the additions, in breach of solemn pledge, to taxation, expenditure, and public charge ; the schemes which substitute for the good of the masses and for fair taxation, the aggrandizement of the few and the rich and the oppression of the many and the poor ; if you are prepared to give your voices for freedom and justice, for retrenchment and reform, for fair play and equal rights, for real progress and true national development—then I ask for your support, and will do what in me lies to justify your decision.

And in the hope and belief that such will be your verdict,

I am, Gentlemen,

Your faithful servant,

TORONTO, May 22, 1882.

EDWARD BLAKE.

# THE TRADE QUESTION.

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A Revenue Tariff versus a Monopoly Tariff.

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## CAUSES OF DEPRESSION AND BAD TIMES.

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Causes of Revival and Good Times—Has the Farmer a Home Market?—Have Grain Duties Benefited the Farmer?—Were Increased Duties Needed for Revenue? Manufactures before the N. P.

In the discussion of matters relating to the trade policy of Canada, it must ever be borne in mind that the issue involved is not one between absolute free trade and protection pure and simple. The circumstances of this country are such that a large annual revenue is required to pay the interest upon the public debt and the expenses of the Government. A large sum must be raised chiefly from duties upon imports, and the question at issue between the Liberal and the Tory party is, whether we shall have an enlightened revenue tariff for the purpose of raising the necessary amount of national income, or whether we shall have a purely protective tariff with high duties, levied rather for the purpose of excluding goods from our markets than for collecting moderate and fair duties upon importations. As to

### THE RATE OF DUTIES THAT MUST BE IMPOSED

under a revenue tariff in order to meet our requirements, it is quite clear it must be high. Under the tariff proposed by the Liberal party, all the manufacturing industries of Canada would receive a fair degree of protection—indeed, quite high enough to satisfy all legitimate requirements, especially as coal would be admitted free, while iron and other raw materials, if not placed upon the free list, would be charged low rates of duty. In fact, such a fiscal policy can be devised as will ensure to the manufacturing industries of Canada more prosperity than is enjoyed under the present tariff. The Liberal party most heartily desires to see all the great business interests of Canada prosperous. It desires for them the utmost possible development that can be attained without the aid afforded by imposing unjust burdens upon the people; and consideration fair and just would be given to every Canadian interest. The attempt made by the Tory leaders and press

to create the belief that the Liberal party is hostile to manufacturing interests, or indeed to any legitimate interest in Canada, is most unfair. The desire is to adopt a policy that will promote the general good.

#### **WE HAD MANUFACTURES BEFORE THE N. P.**

Canadian industries were not created by the N. P., but had reached a very extensive development before it was even dreamed of. The census of 1871 shows that our manufactures amounted to \$221,000,000 that year, and gave employment to 189,000 persons. This great development was reached under a purely revenue tariff, with duties of only 15 per cent. for the greater part of the time. It can be most conclusively proved that during the period of commercial depression, from 1875 to 1878, our manufactures were more fully employed and were paying better dividends than were corresponding establishments in the United States, where an extreme protective policy prevailed, and it is demonstrable that the increase in business and the starting of new industries in Canada have not in the aggregate been greater since

#### **THE REVIVAL IN BUSINESS**

came than would have been the case had a revenue tariff remained in force, with raw material admitted free. It is possible, indeed, that high duties have given an abnormal development to cotton and sugar refining interests, but this has been secured at heavy loss to the consumer, and has been fully counterbalanced, through the increased cost of living, and the duties upon iron, coal and other materials, by its depressing effect upon founders, machinists and agricultural implement manufacturers who were not pets of a powerful Government.

#### **THE CAUSES OF BAD TIMES.**

The Tory press and leaders never tire in making the false and absurd charge that the depression existing between 1874 and 1878 was due to the policy of the Mackenzie Government. Had the depression been confined to Canada there would have been some color for the charge. But it originated in that protected-to-death country, the United States, in September, 1873, and spread from thence over the whole commercial world. No change in the policy of Canada that could injuriously affect our interests was made. The Government was economical. Instead of bolstering up a declining revenue by taxing the people, the national expenditure was cut down, or confined to the smallest possible amounts. The expenditure for 1878, Mr. Mackenzie's last year, was only \$186,842 greater than the expenditure for 1874, his first year.

#### **EXPENDITURE UNDER THE MACKENZIE (REFORM) GOVERNMENT.**

Year ending June 30, 1874.....	\$23,316,316
" " " 1875.....	23,718,071
" " " 1876.....	24,488,372
" " " 1877.....	23,519,301
" " " 1878.....	23,503,158

#### **EXPENDITURE UNDER THE MACDONALD (TORY) GOVERNMENT.**

Year ending June 30, 1879.....	\$24,455,381
" " " 1880.....	24,850,634
" " " 1881.....	25,502,554
" " " 1882 (by estimates) .....	27,672,213
" " " 1883 (by estimates and special Acts)	29,011,485



This table shows the increases under the Macdonald Administration over the last year of the Mackenzie Administration to be as follows :

Year ending June 30, 1879.....	\$	952,223
" " " 1880.....		1,347,476
" " " 1881.....		1,999,396
" " " 1882 (by estimates) .....		4,169,055
" " " 1883 (by estimates and special Acts)		5,508,327

The supplementary estimates to May 5th, 1882, are included, but further estimates of large amount for 1883 will be brought down next session.

The only change made by the Mackenzie Government in the tariff under which Canada had prospered was an increase in 1874 of 2½ per cent. with some minor changes which gave all the additional protection required at that time.

#### THE PANIC IN THE UNITED STATES.

which began in September 1873, was chiefly due to enormous unproductive investments in railway speculation, and to the inflated and unhealthy condition of the manufacturing interests, which were greatly in excess of the requirements of the country—the result of extreme protection. It was aggravated and prolonged by an irredeemable currency, unstable and fluctuating in value. So severe was the depression that *2,000,000 men were said to have been thrown out of employment.* As the United States was the chief market for our barley and lumber, two very large Canadian interests, the depression and consequent fall in prices there could not fail seriously to affect us. So serious indeed was the decline in the value of lumber alone, that

#### OUR LUMBERMEN LOST MONEY

steadily for years. Many of them became bankrupt, and great numbers were driven to the verge of insolvency. This was a result which no tariff that a human being could devise could have prevented for one moment. American financial and industrial difficulties gradually brought on a depression in England, where there was no tariff at all, and that also reacted on us. To add to the trouble we had a short harvest in 1876, when we failed to raise our own bread; while two others, those of 1874 and 1877, were below the average. This sufficiently accounts for the hard times, and it was entirely beyond the power of the Canadian Government to avert the depression, because it resulted from causes within Canada and outside of it that were entirely beyond human control.

#### THE CAUSES OF REVIVAL AND GOOD TIMES.

While the depression in the United States, where there was the highest protective tariff in the world, and in Canada where there was a revenue tariff, and in England where there was no tariff at all, was due to causes entirely beyond the control of any or all three of the Governments, the return of prosperity was also due to causes entirely independent of any or all of the fiscal policies in the countries named. On the 1st of January, 1879, the United States returned to specie payment. The period of depression had continued with great severity for over five years, but immediately upon this step being taken a wholesome reaction commenced, and a period of great prosperity set in and has continued till the present moment. One of the results was that higher

prices were paid for barley, lumber, and all of our productions that find a market in the United States. The advance in the value of lumber, our largest industry, was very great, and for two years past the average price in Canada has been at least one-half higher than the average price from 1874 to 1878. Since 1878 two bad harvests in England have created an unusual demand for our breadstuffs, which were abundant, as Canada happened to have more than average harvests. The result of the new demand from the States and from Great Britain for our chief products was so large an increase in the export of the produce of the forest and field, that it was alone sufficient to bring about great improvement in business.

#### THE GRAIN EXPORTS OF TWO PERIODS.

If we compare the exports of breadstuffs during Mr. Mackenzie's Administration with the period since then we shall find a remarkable contrast. To arrive at the actual net export of the country, the total import is deducted from the total export, the balance being the actual net export. For the two periods, viz., 1874 to 1878, and 1879 to Dec. 31st, 1881, the total net export from Canada of grain, flour and meal of all kinds, in round numbers, was as follows :

FOR THE FIVE YEARS OF THE MACKENZIE ADMINISTRATION.	THREE AND A HALF YEARS OF THE MACDONALD ADMINISTRATION.
Fiscal year ending June 30th :	Fiscal year ending June 30th :
1874.....\$11,914,000	1879.....\$14,877,000
1875 ..... 8,967,000	1880..... 17,021,000
1876 ..... 13,853,000	1881..... 13,748,000
1877..... 2,597,000	July 1st to Dec. 31st :
1878 ..... 12,261,000	1881..... 14,700,000
<hr/> \$49,592,000	<hr/> \$60,346,000

The net export of grain, flour and meal during the five years of the Mackenzie Administration was, therefore, \$10,754,000 less than during the three and a half years of the Macdonald Administration, ending 31st December last. If we take the

#### EXPORT OF AGRICULTURAL PRODUCTS

And of animals and their produce, the produce of Canada, for the two periods, as given in the Trade and Navigation Returns, we shall find the following results :

EXPORTS OF ANIMALS AND THEIR PRODUCE FOR THE FIRST PERIOD.	EXPORTS OF ANIMALS AND THEIR PRODUCE FOR THE SECOND PERIOD.
Year ending June 30 :	Year ending June 30 :
1874.....\$14,679,169	1879.....\$14,100,604
1875 ..... 12,700,507	1880 ..... 17,607,507
1876..... 13,517,654	1881 ..... 21,360,219
1877..... 14,220,617	July 1 to Dec 31 :
1878 ..... 14,019,851	1881..... 13,175,279
<hr/> \$69,137,804	<hr/> \$66,243,679

## EXPORT OF AGRICULTURAL PRODUCTS FOR THE FIRST PERIOD.

Year ending June 30 :	
1874.....	\$19,590,142
1875.....	17,258,358
1876.....	21,139,665
1877.....	14,689,376
1878.....	18,008,754
	<hr/>
	\$90,676,295

## EXPORT OF AGRICULTURAL PRODUCTS FOR THE SECOND PERIOD.

Year ending June 30 :	
1879.....	\$19,628,464
1880.....	22,294,328
1881.....	21,268,327
July 1 to Dec. 3	
1881....	18,786,705
	<hr/>
	\$81,977,824

From the above tables we have the following results: Annual average of the exports, animals and their produce, 1874 to 1878, 5 years, \$13,827,56; annual average export of same, 1879 to Dec. 31, 1881, 3½ years, \$18,926,767; excess of annual average of export of animals and their produce, the produce of Canada, during the latter period as compared with the former period, \$5,099,207. Annual average of the export agricultural products, the produce of Canada, 1874 to 1878, 5 years, \$18,135,258; annual average of the export of the same, 1879, to Dec. 31, 1881, 3½ years, \$23,422,234; excess of annual average of export of agricultural products, the produce of Canada, during the latter period, as compared with the former, \$5,286,976. The annual excess of the export of animals and their produce and of agricultural products, the produce of Canada, during the period of the Macdonald Administration, as compared with the Mackenzie Administration, was \$10,386,183. The largely increased value of the exports of the country as shown by the above tables, taken from the Government Returns, was, therefore, quite sufficient to bring about the revival of business and the era of prosperity we now enjoy.

## RIGID ECONOMY PRACTISED.

There was also another cause for recovery from prostration—one always present in cases of commercial depression, and one of itself quite sufficient to cure the evil. We refer to rigid economy and retrenchment of expenses on the part of the people. Commercial depressions are caused mainly by overtrading, private extravagance, and reckless public expenditure. The best remedy for these evils is a season of retrenchment and frugality. Economy was everywhere practised in Canada from 1876 onwards, and would of itself have brought a return of prosperity.

## CAUSES OF THE REVIVAL.

This brief but plain consideration of the case points most conclusively to the following as the undoubted and sole causes of the revival.

1. The return to specie payment in the United States and the setting in of a great tide of commercial prosperity in that country, leading to a great boom in our lumber market, and to an advance in the price of barley and the other products we sell to the Americans.

2. Two years of short harvests and scarcity in England, which caused an active demand at high prices for our food products. Coming conjointly with two excellent harvests in Canada, the result was a heavy increase in our exports of food.

3. Five years of economy and retrenchment in expenses practised by our people during the depression, which alone would have brought a return of prosperity.



### THE FARMERS' HOME MARKET.

In 1878 the promise was made that the N. P. would give the farmer a home market for all the grain and food raised in Canada. "If the Conservatives gain a majority," said Sir John Macdonald at Parkhill, in July of that year, "there will be a return of confidence at once, and even before a new tariff can be introduced the manufacturers will have such hopes for the future that they will be employing more men, circulating money, and increasing their business, all of which will reflect beneficially on the farming community. *The moment a policy, the effect of which is to keep Canadian markets for Canadians is introduced, confidence—prosperity will return.*" After three years of protection we find that our exports of farm products are greater than ever. Instead of such a home market being created by the N. P. that every farmer is met by an overwhelming demand at high prices for everything he raises, he finds he has, as before, to seek a foreign market for his surplus. But in addition he finds *himself heavily taxed, which was not the case before.* The export of agricultural products, the produce of Canada, for the six months ending December 31st, 1881, amounted to \$18,776,000, while for the entire year of 1878 it was but \$18,008,000. The average annual export of animals and their produce has been \$5,099,000 greater during the last three years and a half than during the previous five years. The average annual export of agricultural products during the last three and a half years has been \$5,286,000 greater than during the previous five years.

The experience of the American farmer under protection has been of the same character. In 1880, after twenty years of protection, the promise of a home market was so far from being realized that the food exports of the country reached the enormous sum of \$397,000,000. Of every 100 bushels of wheat raised in that country 36 were exported. The truth is, that either Canada or the United States will require to produce more manufactures for export than for home consumption (as is now done by England) before a home market can be furnished; and this cannot be done under protection, for if the domestic manufacturer requires protection against the foreign manufacturer, he cannot export goods and compete with him in foreign markets where both meet upon the same footing.

### RESULTS OF THE N. P.

The N. P. imposed a rate of duties that largely increases the cost of sugar, that increases the cost of stoves and hardware, that increases the cost of ploughs and all agricultural implements, that makes cottons and woollens dearer than would have been the case under the previous tariff, and that benefits a few individuals at the expense of the masses. To show, for instance, how the Canadian farmer is made "to pay for his whistle" by the present tariff, we may adopt an illustration of a day's work and life on a farm, which cannot be questioned on the ground of accuracy. The farmer starting to his work has a shoe put on his horse with nails taxed 41 per cent.; with a hammer taxed 40 per cent.; cuts a stick with a knife taxed 27½ per cent.; hitches his horse to a plough taxed 30 per cent., with chains taxed 27½ per cent. He returns to his home at night and lays his wearied limbs on a sheet taxed 30 per cent., and covers himself with a blanket that has paid 70 per cent. He rises in the morning, puts on his humble flannel shirt taxed 60 per cent., shoes taxed 30 per cent., hat taxed 30 per cent., reads a chapter from his Bible taxed 7 per cent., and kneels to his God on a cheap carpet taxed

30 per cent. He sits down to breakfast; eats from a plate taxed 40 per cent., with knife and fork taxed 30 per cent., drinks his cup of coffee or tea sweetened with sugar taxed 45 per cent.; seasons his food with salt taxed 35 per cent., pepper 35 per cent., or spice 35 per cent. He looks around upon his wife and children all taxed in the same way; takes a chew of tobacco taxed 100 per cent.; and if he indulges in a cigar he has first to pay a tax of 120 per cent., and then he is expected to thank John A. that he lives under the freest Government under heaven.

#### HOW DUTIES AFFECT PRICES.

In treating of the question of the rates of duties, one feature of the question is generally overlooked. When we speak of a 20 or 25 per cent. duty, it is popularly supposed that the price of the article is increased by 20 or 25 per cent., or whatever the duty may be. Such is not a fair statement of the case; we should add to the duty the wholesale and retail dealers' profits thereon. If a wholesale dealer imports \$100 worth of goods, and pays \$20 duty on them, he charges a profit of say 10 per cent., not only on the cost of the goods but on the duty as well; then the retail dealer in his turn charges 25 per cent., if that is his profit, not only on the \$100 or on the \$120, but (1) on the first cost, (2) on the duty, and (3) on the wholesale dealers' profit, together amounting to \$132. He charges 25 per cent. on the \$132, the cost to him of the article. Assuming that the wholesale profit is 10 per cent. and the retail profit 25 per cent., a duty of 20 per cent. means an increased cost of  $27\frac{1}{2}$  per cent. to the consumer; a duty of 30 per cent. means an increased cost of  $41\frac{1}{2}$  per cent.; a duty of 40 per cent. means an increased cost of 55 per cent.; a duty of 50 per cent. means an increased cost of  $68\frac{1}{2}$  per cent.; a duty of 60 per cent. means an increased cost of  $82\frac{1}{2}$  per cent.; a duty of 70 per cent. means an increased cost of  $96\frac{1}{2}$  per cent.; while a duty of 75 per cent. means the doubling of the cost of the article taxed to the consumer, increasing it as it does  $103\frac{1}{2}$  per cent. So that the injury inflicted upon the consumer by the policy of unnecessarily large duties is not to be measured by the amount of duty, being largely in excess of the amount of duty imposed by the Government. Protection may be a grand thing for a manufacturer here and there—and it cannot be even for him in the long run—but it is death to the farmer and the laboring man.

#### TAXES! TAXES!! TAXES!!!

SIR JOHN BY HIS "NATIONAL POLICY" COMMITTED HIMSELF TO THE POLICY OF LEVYING A TAX ON GRAIN AND COAL. SUCH A TAX HAS RAISED THE PRICE OF EVERY TON OF COAL THE POOR MAN HAS TO BUY, AND EVERY LOAF OF BREAD HE EATS. THE TAX ON COAL HAS ALSO INCREASED THE COST OF PRODUCTION—AN INCREASE IN THE COST OF PRODUCTION REDUCES THE PROFITS OF MANUFACTURERS—A REDUCTION OF THEIR PROFITS LOWERS THE RATE OF THE WORKING-MAN'S WAGES. IT AT THE SAME TIME RAISES THE PRICE OF FUEL TO THE WORKING-MAN, AS THE TAX ON WHEAT HAS RAISED THE PRICE OF HIS BREAD. SIR JOHN'S POLICY THEN WEAKENS HOME MANUFACTURES, LOWERS THE RATE OF WAGES, AND INCREASES THE COST OF LIVING.

A revenue tariff would have afforded ample protection and secured fair returns to all the manufacturing enterprises of the country. The N. P. affords undue protection to the sugar refiner and the cotton and woollen manufacturers (nearly all, if not *all*, of whom are pets of the

Tory Government), and permits the realization of profits greatly exceeding a fair interest upon the capital invested, while it taxes the iron, the coal and other materials used by a great number of manufacturers, and, as has been shown, makes their business less remunerative than would be the case under a judiciously arranged revenue tariff. It is a policy which benefits very few individuals at the expense of the farmer, the lumberman, the mechanic, the laborer, and the fisherman.

#### **PROTECTION TO THE FARMER.**

The advocates of the N. P. sought to secure the support of the farmer by promising a home market and duties upon grain. It has been shown that the home market promise has failed. The promise of protection through the imposition of grain duties has proved equally delusive. Duties upon cotton and woollen goods in England would not affect the price there, because England supplies her own wants and exports largely. For the same reason a duty upon grain cannot raise the price in Canada, except in the case of Indian corn, because we raise enough of wheat, barley, peas, etc. to supply our own wants and have a large surplus for export. So long as this is the case the price received in foreign markets for the surplus governs the price of the whole. **THE AMERICAN FARMER IS PROTECTED BY GRAIN DUTIES. IF THE AMERICAN DUTIES BENEFITED HIM, WHY WAS IT NECESSARY TO PROTECT OUR FARMERS AGAINST THE GRAIN OF THE PROTECTED AMERICAN FARMER,** who, according to Tory reasoning, *should have no surplus to export?* Our grain imports from the United States were almost exclusively of grain passing through our canals to the European market, and were, consequently, not imports at all. The business, however, was beneficial to us because we enjoyed the carrying trade. Our canals were constructed for the very purpose of securing as large an amount of this trade as possible. If any portion of this American grain was entered for consumption it simply increased by that amount the surplus of Canadian grain available for export, because it was exported in some shape, and had no influence upon the prices paid to our farmers.

#### **INDIAN CORN WAS IMPORTED**

in considerable quantities for consumption, because, before the stupid N. P. duty was imposed, it was cheaper than our own coarse grains, and the country made a handsome profit by buying corn at a cheap rate and selling a corresponding amount of oats, peas, rye and barley at a higher rate. The importation of corn for consumption merely increased to a corresponding amount our surplus for export of other coarse grains. In effect we traded coarse grains for corn when it answered our purpose just as well, and we could make money by the exchange. With cheap corn our farmers could fatten cattle with profit, but with dear corn they cannot; the result is, that fewer cattle are fattened in the country, and the price of beef has been greatly increased. At no time since the imposition of grain duties has the price of grain in American markets permitted its importation into Canadian markets at a cost to depress the market rates here had no duties stood in the way. At no time has the Canadian farmer received the

#### **SLIGHTEST ADVANTAGE FROM THE N. P. GRAIN DUTIES,**

and almost uniformly since the adoption of the N. P. all grains, except Indian corn, have been higher in the United States than in corresponding Canadian markets. The market reports prove this, and it will

be found that all grains, except corn, were relatively higher, as a rule, in the Canadian markets before the N. P. than since. A number of comparisons extending over a series of years have been compiled from market reports. The quotations are for the third Wednesday in each month, and give the highest price in the various markets that day. In winter wheat, Toronto and Toledo are compared, as the latter is, next to Chicago, the largest primary grain market in the west, and Chicago is not a winter wheat market. Toledo, it must be remembered, is several hundred miles further from the seaboard than Toronto, and, therefore, its quotations should be less than those of Toronto, as the cost to move the grain to European markets is relatively greater. The following table will show the average price of No. 2 red winter wheat at Toledo and Toronto in each year since 1876. No 2 is selected as being the standard Toledo grade. Toledo quotations are furnished by the Secretary of the Toledo Board of Trade, while Toronto quotations are taken from the *Toronto Mail*, the leading Conservative organ.

#### NO. 2 WINTER WHEAT.

The following are the average prices for the whole of each year given, and are struck from the quotations for the third Wednesday of each month :

	1876.	1877.	1878.	1879.	1880.	1881.	Ave'ge
Toledo....	\$1 22 $\frac{3}{4}$	\$1 49 $\frac{1}{4}$	\$1 07	\$1 11 $\frac{3}{4}$	\$1 12 $\frac{3}{4}$	\$1 13	\$1 19 $\frac{3}{4}$
Toronto...	1 08 $\frac{1}{2}$	1 43	1 06	1 07	1 13	1 18	1 16

During the above period the average price of No. 2 winter wheat was 3 $\frac{1}{2}$  cents greater in Toledo than Toronto, and in only one year, viz., 1880, was the Toronto price a slight fraction higher than in Toledo, the difference in favor of Toronto being one-quarter of a cent per bushel. If we take the average price in each market during the months of August, September, October, November and December, which constitute the shipping season, we shall find the following result :

#### FALL PRICES FOR NO. 2 WINTER WHEAT.

Average price in August, September, October, November and December of each year from quotations on the third Wednesday of each month :

	1876.	1877.	1878.	1879.	1880.	1881.	Ave'ge.
Toledo...	\$1 20 $\frac{3}{4}$	\$1 49 $\frac{1}{2}$	\$0 93 $\frac{3}{4}$	\$1 20 $\frac{3}{4}$	\$1 01	\$1 36 $\frac{1}{2}$	\$1 20 $\frac{1}{2}$
Toronto..	1 14 $\frac{1}{2}$	1 25	0 93 $\frac{1}{2}$	1 15 $\frac{1}{2}$	1 03	1 28 $\frac{1}{2}$	1 13 $\frac{1}{2}$

In 1880 the price during the five months period averaged 2 cents per bushel higher in Toronto than in Toledo. In that year the United States had a very large surplus, and the price was consequently regulated by the export demand, yet the difference in favor of Toronto was less than the difference in freight, between those two points.

#### CHICAGO AND TORONTO PRICES.

We will next compare the price of No. 2 spring wheat for each year, based on the quotations for the third Wednesday of each month in Chicago and Toronto, taking the *Toronto Mail's* reports.

	1876.	1877.	1878.	1879.	1880.	1881.	Av'age.
Chicago.....	\$1.05 $\frac{3}{4}$	\$1.26 $\frac{3}{4}$	\$0.95 $\frac{1}{2}$	\$1.06 $\frac{1}{2}$	\$1.05	\$1.15	\$1.09.
Toronto....	1.03 $\frac{3}{4}$	1.33 $\frac{3}{4}$	0.96	0.96 $\frac{1}{4}$	1.19	1.22	1.11.

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There was but one year out of the six covered by the above table when it would have paid expenses to buy No. 2 spring wheat in Chicago and sell it in Toronto, and in that year the average difference in price would not have paid the freight between the two points. In 1880 both countries had an immense surplus for export, and the price in each market was regulated by the export demand. The advantage in favor of Toronto, represented largely, if not entirely, *the difference in freight between the two points and Liverpool, or other foreign markets.*

#### THE PRICE OF OATS BEFORE THE N. P.

The following is a comparison of the price of oats in Chicago and Toronto, on the 15th July, October and December in each year :

	1876.	July 15.	Oct. 15.	Dec. 15.	Average.
Chicago.....	\$0.28		\$0.28	\$0.29	\$0.28½
Toronto.....	0.34½		0.39	0.42	0.38½
1877.					
Chicago.....	0.31½		0.23½	0.24½	0.26½
Toronto.....	0.50		0.38	0.37	0.41½
1878.					
Chicago.....	0.25		0.19	0.20½	0.21½
Toronto.....	0.34		0.32	0.31	0.32½

For the three years before the N. P. came into force the average difference, as shown by the above table, was 12 cents per bushel in favor of Toronto, as compared with Chicago, and yet it was held necessary to impose a duty of 10 cents per bushel to prevent American oats slaughtering the Canadian market and depressing the price. By the quotations for October and December, for each of the above years, the average price of oats in Toronto was 12½ cents higher than in Chicago.

#### THE PRICE OF OATS SINCE THE N. P.

Let us compare these quotations with the corresponding quotations for the three years subsequent to the adoption of the N. P. and see whether the imposition of the duty had the effect of making oats relatively higher in Canadian than in American markets :

	1879.	July 15.	Oct. 15.	Dec. 15.	Average.
Chicago.....	\$0.26½		\$0.29½	\$0.39½	\$0.32½
Toronto.....	0.39		0.35	0.37½	0.37½
1880.					
Chicago.....	0.22½		0.30½	0.31½	0.28½
Toronto.....	0.38		0.33	0.34	0.35
1881.					
Chicago.....	0.41½		0.44	0.46½	0.44
Toronto.....	0.40		0.43	0.45	0.42½

Thus the average price in Toronto for the three years since the N. P. went into force based on the quotations in July, October and December, was 38½ cents, and for Chicago 35 cents, a difference of 3½ cents in favor of Toronto ; or if we take the last two months in each year, October and December, the average price for the three years was 37 5-16 in Toronto and 36½ cents in Chicago, a difference of 1½c. in favor of Toronto. It must be borne in mind, however, that the Toronto bushel of oats is 34 pounds, while the Chicago bushel is 32 pounds, and this difference of two pounds swallows up the difference in favor of Toronto for the last three years. These facts show that a



duty of 10 cents upon oats could not benefit the Canadian farmer, for western oats could not be brought into our market and sold at the prices which would rule here if no duty was imposed.

#### DECLINE IN THE OATMEAL TRADE.

The duty upon oats has been injurious to our oatmeal trade. Before the N.P. came into force, American oats were imported for our oatmeal mills, and the export trade in meal was large. Since the N. P. the export trade has largely fallen off. In the year ending June 30th, 1878, we exported 174,511 barrels of meal; in 1881, only 53,825 barrels; and for the six months ending December 31st, 1881, only, 24,435 barrels. This indicates a serious loss of trade, and, while the miller has been injured, no one has been benefited.

#### THE DUTY ON BARLEY.

It is surprising that a single Canadian farmer should ever have been deceived by the allegation that a duty upon barley could confer any benefit upon him. The price of barley is uniformly higher in the United States than in Canada, as an examination of the market reports at any time will show. If we compare Toronto and Oswego quotations for the third Wednesday of September, October, November and December, which covers the shipping season for barley, we will find the following average for the six years, 1876 to 1881.

	1876.	1877.	1878.	1879.	1880.	1881.
Oswego.....	\$1 08 $\frac{1}{2}$	\$0 88 $\frac{1}{2}$	\$1 22 $\frac{1}{2}$	\$0 84 $\frac{1}{2}$	\$1 00	\$1 07 $\frac{1}{2}$
Toronto.....	0 81	0 66 $\frac{1}{2}$	1 01 $\frac{1}{2}$	0 70	0 84 $\frac{1}{2}$	0 91 $\frac{1}{2}$

#### THE PRICE OF RYE.

If we compare the price of rye in Toronto and Chicago on the third Wednesday in September, October, November and December of each year since 1876, we shall find the average price for each year as follows:

	1876.	1877.	1878.	1879.	1880.	1881.
Chicago.....	\$0 64 $\frac{1}{2}$	\$0 53 $\frac{1}{2}$	\$0 46 $\frac{1}{2}$	\$0 66 $\frac{1}{2}$	\$0 85 $\frac{1}{2}$	\$1 03 $\frac{1}{2}$
Toronto.....	0 60 $\frac{1}{2}$	0 60 $\frac{1}{2}$	0 53 $\frac{1}{2}$	0 67 $\frac{1}{2}$	0 83 $\frac{1}{2}$	0 91

#### THE PRICE OF PEAS.

Peas are also uniformly higher in the United States than in Canada to the extent of the freight and the American duty. The duty, therefore, cannot help the Canadian farmers to a better price.

#### AGRICULTURAL PROTECTION A SHAM.

From all the information contained in the foregoing tables, it is evident that the price of grain since the N.P. came into force is not higher in the Canadian market as compared with the American market than it was before, and the statement that grain duties cannot benefit the Canadian farmer in the case of any grain of which we raise a surplus for export, will in every case hold good.

The farmer has been subjected to heavier duties and increased taxation under the N. P., and the promise that he should be compensated by a home market, and higher prices for his productions, has not been

Our agricultural exports are steadily increasing, and there is inducement to import American grain for consumption except under exceptional circumstances, as it is higher in that country than in our own. In short, the farmer, the lumberer, and the laborer have

been injured by the increase of duties above the rates imposed by the Mackenzie tariff, and very few men comparatively have been benefited.

#### **WERE INCREASED DUTIES REQUIRED FOR REVENUE ?**

It was asserted by Sir Charles Tupper during the session of 1882 that in 1879 there was no choice between adopting the National Policy and resorting to direct taxation. Such was not the case. The difficulty under which we labored was temporary, and was sure to disappear with the return of better times, which were then dawning. An increase of \$2,225,000 in the Customs over 1878 would provide for the deficit of that year and for an increase of \$1,100,000 in the expenditures, which would have been ample to cover all necessary increase under an economical Government. This would have been an increase of 18 per cent. During the period from 1878 to 1881 the revenue of the United States rose from \$130,000,000 to \$198,000,000, equal to 52 per cent. without any change of tariff. We may surely estimate that our revenue would have increased one-third as fast as theirs during the same period under the influence of the same causes. Sir Leonard Tilley estimates the revenue from Customs the present year at \$20,500,000. This is a sum over \$5,500,000 greater than would have been required to meet the expenses of the Government had the Liberal party remained in power, and that vast sum represents the amount of needless taxation to which the people of Canada are subjected under the present extravagant and reckless Government.

#### **THE N. P. DOES NOT SECURE CONTROL OF CANADIAN MARKETS.**

It was asserted when the present tariff was under consideration that it would secure so great a development of the manufacturing interests of the country as to give to the Canadian farmer a home market. We have seen that the Canadian farmer is farther from a home market than ever before. But let us inquire whether the exclusive control of the markets has been secured to the manufacturer, and whether the import of goods that can be manufactured in Canada has ceased.

#### **IMPORTATIONS UNDER TWO TARIFFS CONTRASTED.**

Our importations of cottons, woollens, and iron, steel and manufactures of the same, for different periods of revenue and protective tariffs, are shown in the following table :

	1876.	1879.	1881.
Cottons.....	\$11,341,000	\$6,535,000	\$10,267,000
Woollens.....	11,160,000	6,992,000	8,739,000
Iron, steel, and manufactures of the same,	12,934,000	6,457,000	12,460,000
Totals.....	\$35,435,000	\$19,984,000	\$31,466,000

From these figures it is apparent that under the operation of a revenue tariff between 1874 and 1879, there was a decrease of \$15,451,000 in the imports of those goods, while under the protective tariff, between 1879 and 1881, there has been an increase of \$11,482,000.

#### **COMPARISON BETWEEN 1877 AND 1881.**

As a carefully prepared estimate of the total amount of goods susceptible of manufacture in Canada, imported in 1877, has been prepared, and much labor would be involved in preparing one for the year ending 30th June, 1879, and as the difference between the two would not be material, a comparison of the importation of goods sus-

ceptible of manufacture in Canada is made between the year 1877, under a revenue tariff, and 1881, under a protective tariff:

1877.—Importation of goods susceptible of manufacture in Canada .....	\$42,830,000
1881.—Importation of goods susceptible of manufacture in Canada .....	58,695,000
Increase in 1881 as compared with 1877 .....	\$15,865,000
or 37 per cent.	

This showing does not indicate a very remarkable degree of success in attaining control of the Canadian market. During this protective period our import of manufactures which could have been made in Canada not only increased, but our export of manufactures fell off over \$1,000,000 per annum. In many lines our imports from the United States have largely increased; and the increased importation of goods which might be manufactured in Canada is actually much greater than the returns indicate, owing to the great increase in smuggling since the increased duties made the inducements to smugglers so much greater.

#### WHAT THE CONSERVATIVES PROMISED IN 1878.

To mention all the promises that were made and expectations held out by the Conservatives prior to the election of 1878 would occupy many pages. But there are some which may be referred to in general terms.

They promised that the return of their party to power would put an end to the depression, and that an era of prosperity would immediately commence. But instead of the hard times disappearing they became much worse; the year which followed the change of Government was one of unprecedented depression. This proved the utter futility of their policy. As we have already shown, there was no improvement until economic causes which no human being, no Government, no fiscal policy—whether free-trade, revenue tariff or purely protective, or a mixture of all three—could control, set in, and, in spite of Governments and their tariffs, brought prosperity equally to the doors of every man and every people.

The Conservatives promised that there would be no more deficits. But at the end of their first year they had to acknowledge a deficit of nearly two millions, and at the end of their second year another nearly as great.

They promised that within a year the number of factories in operation would be doubled, and that in two or three the number of tall chimneys would be so great as to darken the land. There are few if any localities in which, after four years, even one new factory can be pointed to as the result of the National Policy. Apart from the Halifax sugar refinery, which is now closed, we do not know of one in the Maritime Provinces.

They promised that towns and villages would arise everywhere, and that cities would speedily double their populations, thus creating vast home markets for home products. The result has been rather the other way—population has, upon the whole, scarcely increased even with the increment due to immigration. The census of last year has been so damaging in its results in this respect that its revelations are being held back until after the elections.



The Conservatives promised that the exodus of our people to the States would be stopped, and that many who had left the Provinces would be brought back. The exodus has continued, and grown to gigantic proportions.

They promised that there would be no increase, but only a readjustment of taxation. The taxation has been largely increased, and on some articles of general use has been made outrageously heavy.

They promised that the duties on many articles, notably tea, coffee, sugar and tobacco, would be abolished. Not one of these articles has been made free, if we may except tea and coffee, which, in view of the present general election, were in February last placed on the free list, though the ten per cent. differential duty on all tea and coffee coming into Canada from the United States was not abolished. The result is that as all our tea and nearly all our coffee are imported from the States, they are yet very heavily taxed, and, as facts show, to no purpose so far as developing a Canadian import trade is concerned.

They promised that a protective duty would be imposed which would largely exclude foreign coal, and give Nova Scotia coal miners the control of the Ontario market. Apart from a few experimental cargoes, no Nova Scotia coal has been carried to Ontario, but the importation into the Dominion of foreign coal has enormously increased.

Let the reader, especially if he was induced to vote for the Conservatives four years ago, look back upon what was promised and what has been performed. If wisdom is to be learned from experience, our people should be much wiser now than they were then.

#### THE NET OUTCOME.

The net results of three years' operations of the N. P. may be very briefly and fairly summarized as follows:

1. It has not given the farmer the home market he was promised; on the contrary, our exports of farm produce have steadily and rapidly increased. The useless duties imposed on American grain have accomplished nothing more than the wreck of our once famous and profitable carrying trade, and this too at a time when the country has enormously increased its burdens by constructing railways and enlarging canals. In 1878 we sold to other countries ninety-three ships; in 1881 we sold only sixty-one. In 1878, a year of great depression, we sold \$1,218,000 worth of ships built by Canadians; but in 1881, a year of great prosperity, we sold only \$348,000 worth of Canadian-built ships, so that this industry is languishing. From 1873 down to 1878 the tonnage of Canadian vessels represented an increase every year—an increase in six years of 11 per cent., or 686 vessels and 259,297 tons. How has it been since the N. P.? Every year a decline—a decline in three years of 10½ per cent.

2. While causing the farmer to pay more for cottons, woollens, stoves, hardware, implements, glass, blacksmith goods, waggons and carriage goods, furniture, sugar, and a large list of articles needless to enumerate, than he would do under a revenue tariff, with lower duties and free coal and iron, it has conferred no benefit upon him through the imposition of grain duties, because prices are lower here than in the United States, and duties are therefore useless.

3. It has not benefited the lumberman. His market is abroad and cannot in the slightest degree be affected by the N. P. Increased duties have, however, increased the cost of producing lumber by

making blankets, chains, saws, axes and supplies of nearly all kinds dearer.

4. The N. P. has not benefited the laborer, because it has largely increased the cost of fuel, food and clothing, and has not increased the value of his labor. Any advance in that respect is due to the great exodus to the United States and the North-West; the advance, if any, arose rather from scarcity of labor than from increased employment, and, as if bent on counteracting the working-man's opportunities, the Tory Government has a standing offer in the labor markets of Europe to pay a portion of the passage money of working-men who can be persuaded to emigrate to Canada.

5. It has not benefited the fisherman of the Maritime Provinces, because his market is abroad and is not affected by the N. P., while taxes increase the cost of his clothing and food, the latter increase being due to interference with the natural course of trade which compels him to buy flour and meal in an unnatural market and at greatly increased cost for freight, and without conferring the slightest benefit in return upon the Ontario and Quebec farmer.

6. It has not even benefited the manufacturing interest as a whole, although it may have enriched a small number of sugar refiners and cotton mill owners; for the returns show that our export trade in manufactures is decreasing, and that our imports of manufactures that might be produced in Canada are steadily and rapidly increasing.

7. It imposes a burden of taxation, needlessly heavy, upon the tax-payers of the country, and compels them to contribute a sum to the public revenue the present year \$5,500,000 greater than would be necessary to meet our national expenses had our affairs been prudently managed since the present Administration came into office.

All these reasons go to prove that a revenue tariff policy, designed to raise a revenue sufficient only for our actual wants, with the duties so adjusted as to promote most advantageously our various interests, with coal admitted free, and with iron and various other raw materials required by our manufacturers either placed upon the free list or admitted at very low rates of duty, would afford all the protection that our industries could reasonably require, and would be more conducive to the prosperity of our manufacturing interests, except in a few cases, and also to the prosperity of our farmers, lumbermen, laborers, artisans and fishermen, than the present policy is.

#### WHAT THE LIBERAL PARTY PROMISE.

There are many things which the Liberal party will be able to do. It promises faithful to its history the world over, to have sympathy now and in the future for every move made in the direction of human progress. It promises, further, to give to this country a policy which will afford just and equal taxation, and at the same time lead to a rapid and healthy development of all the interests, especially the manufacturing interests, of this country. It promises to call a halt in this sweeping tide of public expenditure, which threatens to engulf the country in financial ruin. It promises to adopt, as a matter of parliamentary policy, the assumption that the public debt is large enough, and should not be permitted to exceed reasonable limits. It promises to pay due regard to provincial rights, and prevent the Federal power trespassing on the rights of the Provinces in this Dominion. It promises to adopt a land policy for this country with regard to the disposal

of that vast public domain in the North-West, which is to be the home of future millions—a policy conceived in the interests of the masses, in the interests of the men who will till that soil, and not in the interests of that horde of speculators who throng to that country and desire to win millions out of the sweat and toil of those who will be called upon to pay the vast profits they expect to make from lands the settler will be compelled to buy from them. The Reform party promises the country honest administration. It promises an end to those contract scandals, at the head of which stands the Pacific Railway Syndicate bargain, a disgrace to this country, and not far distant from which stands the Onderdonk contract. It promises to remedy these things, and it promises to place the affairs of this country in the hands of a leader who is temperate, honest and capable; a man of the highest personal character; a man who, without rank or the flummery of titles, is recognized as a prince among his fellow-men.

# SPECIAL DUTIES.

## THE DUTY ON SUGAR.

**A Great Burden Imposed upon the People—But there's Millions in it for the Refiners.**

Sugar is as much an article of food as meats or breadstuffs, and whether prices run high or low our people must have it. But, unlike those other staples of our daily diet, we must go abroad for supplies. The little that is produced from the beet root and the maple tree at home is the merest fraction of the whole. The consumption, too, is steadily growing year by year. In England it has risen from about 30 lbs. per head in 1852 to more than 60 lbs. last year. In Canada during the same period, and exclusive of home-made sugars, it has risen from 12 lbs. to 31. lbs.

### A PROPER SOURCE OF REVENUE.

An article of such large and common use is a proper object of taxation for public revenue, and no serious difficulty ought to be experienced in making a just and equitable distribution of the burden. To get the greatest possible revenue with the least possible disturbance of price should be the aim of the legislator. In no other way can the interests of the consumer be guarded. But this is just what the Government has not done. The price of sugar has been raised by the tariff, the people are made to pay a great deal more for it, and there has been a heavy loss to the public revenue. When the Finance Minister unfolded his policy in 1879 members of the Liberal party in the House pointed out that it must inevitably work to this end, and their prediction has been only too well verified by results. The public revenue has been depleted, the whole country has been heavily taxed, and half a dozen men have made colossal fortunes. The only good thing that can be said for the Minister's policy is, that "there's millions in it" for the Redpaths and the Drummonds.

### THE LIMIT OF PROTECTION.

If sugar refining in Canada demands protection, it is very difficult for Parliament to say what the limit ought to be, for the reason that no one except the sugar refiners themselves knows exactly the quantity of refined or granulated sugar which a certain quantity of raw sugar will produce. This is a secret of the refiners which they have steadily refused to make known. While asking Parliament to make them rich at the expense of the people who consume their goods, they resolutely deny to Parliament the facts and information upon which alone it is possible to calculate the advantages which they are seeking to obtain. "It is a trade secret," was the answer of a leading refiner (Mr. Drummond, of Montreal) to the Trade Committee of 1876. "If

I were to state to the Committee what results I obtained in my business during a year I would expose myself to the reproaches of refiners in all parts of the world." It is this

#### FREE-MASONRY OF THE REFINERS

that makes it so difficult to fix the limit of a tariff just to consumers as well as to producers. The same difficulty has been experienced in Europe, and in order to get a solution of it the British, French and Belgian Governments several years ago rented a refinery at Cologne and conducted refining operations for a period of twelve months. They bought sugars of all kinds, and the result of their experiments was to establish the fact that 100 lbs. of raw sugar would give 83 lbs. of granulated. This is now the standard in England, where the Cologne calculations are known and recognized by all refiners. In the United States in 1875 a Commission conducted an inquiry with a view to fix the amount of the export bounty. The evidence of experts was taken, and, as a result of the investigation, the Commission reported as their conclusion "that the product of well-regulated refineries in hard or stove-dried sugars is 60 per cent., and in soft sugars of inferior quality 23.60 per cent., and in syrup 11.50 per cent., and in waste 4.90 per cent." This, however, was a conclusion reached upon interested evidence, that of sugar refiners themselves, and the fact that the export bounty has since been reduced from \$3.60 to \$3.17 per 100 lbs. clearly indicates that in the opinion of the United States Government the estimated quantity of granulated product was too low.

#### APPLYING THE AMERICAN ESTIMATE.

But for the purpose of making a test of results under the Canadian sugar tariff, with all odds in the refiners' favor, we will take the data furnished by the American Commission's report as correct. The total waste is only 4.90 per cent. of the whole, and, since the 23.60 per cent. of soft sugars and the 11.50 per cent. of syrup are at least as valuable as the raw sugars from which they are produced, no possible injustice can be done to the refiners by converting the total quantity of raw sugars into granulated on a basis of  $12\frac{1}{2}$  per cent. for waste. There is almost conclusive evidence to show that in reality it does not exceed  $8\frac{1}{2}$  per cent., but the case is so strong that the opponents of Sir Leonard Tilley's sugar tariff can afford to be generous. Let us now see at what cost the industry of sugar refining is being carried on in this country.

#### FIRST CALCULATION.

For the year ending June 30, 1880, the first complete year under the operation of the new tariff, there were imported into Canada 116,847,050 lbs. of sugars. This quantity, converted into granulated on the basis of  $12\frac{1}{2}$  per cent. for waste, gives 102,241,169 lbs. This at \$9.58 per 100 lbs., which was the average cost of refined sugars to Canadian consumers that year, gives a total of \$9,794,703. During the same period the average price of refined sugar in New York, less the export bounty, was \$6.20 per 100 lbs., or \$6,338,952 for the total of Canada's consumption. The difference—\$3,445,751—is what the Canadian consumers paid for the obligation imposed by the N. P. tariff to buy their sugars in Montreal and Moncton instead of in New York. And it need not be doubted that at their prices the New York refiners did not carry on business at a loss; sugar refiners don't conduct business in that way, as the Canadian people have at a great cost

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been taught to know. But what became of the \$3,445,751 paid to the Canadian importers and refiners in excess of the New York price? The Trade and Navigation returns show that \$2,026,689 went into the public treasury by way of the Customs. That was proper, and no one complains of it. But what became of the balance—the large sum of \$1,429,062? The people paid it, but the public treasury didn't get it. It went to the home refiners, and it helped to swell their profits, *plus* the profits made by the New York refiners on the same quantity of sugar!

#### SECOND CALCULATION.

In the second year of the sugar refiners' bonanza tariff there were imported into the country 136,406,513 lbs. of sugar. Reducing this to refined or granulated as before, we have as the result 119,355,702 lbs. The average price for the year was \$9.77 per 100 lbs., or a total of \$11,661,052. The average price in New York, less the export bounty, was \$6.55, or a total of \$7,817,797. The difference—\$3,843,254—is the excess of price to the Canadian consumer. Where did it go? The public treasury received \$2,459,142 by way of duty, and the remaining \$1,384,112 was—lost! Well, not lost exactly. It went into the pockets of the Montreal and Moncton refiners, to swell their profits over and above the profits made on the same class and quantity of work by the refiners of New York City. It went, as Mr. Thomas White explained, to the House of Commons, to help Mr. Redpath, of Montreal, buy for himself "a quiet, unassuming, modest little place on the other side of the water," and to hob-nob with the nobility and the landed gentry of Old England. A snug sum of \$2,813,174 is not bad for two years in the sugar-washing business. But the people who paid it, and got nothing in return, ought to have something to say about it. Sir Leonard Tilley and his colleagues are alone to blame in the matter. They invited the refiners to help them frame the tariff, and the refiners framed it to secure for themselves the largest possible margin of profit. The manner of it was of a piece with the more recent instance of inviting Tory Members of Parliament to "John-a-mander" the constituencies. Everything was done with an eye to the main chance.

#### THIRD CALCULATION.

To show in another way the advantages possessed by Canadian refiners over their New York rivals, let us compare average duties and average prices. For the year ending 30th June, 1881, the New York refiner paid upon his raw sugar an average duty of \$2.45 per 100 lbs. The Canadian refiner paid an average of only \$1.75 per 100 lbs., which gave him an advantage of 70 cents. For the same year he had an advantage of 6 cents per 100 lbs. in the price got for his sugar, or a total of 76 cents. This on the total consumption of the year gives a profit of \$1,036,639. For the year 1880 the Canadian refiner had an advantage of 70 cents less duty, and 23 cents extra price, and this on the total consumption of the year is \$1,096,777. Add the amount short on revenue as computed on the rates of the Cartwright tariff, and we have a total annual loss to the country of about \$1,500,000, or very nearly the same result as by the first and second calculations. But of course the thing that has been the country's loss under this ingenious arrangement of the Tilley tariff has been the refiners' gain.

#### FOURTH CALCULATION.

It is claimed by the Finance Minister that under the new tariff there has been no loss to the revenue on the sugar duties. In his last

Budget speech, and professing to quote from the Trade Returns, he stated that "during the last year we paid into the treasury for duties on sugar \$154,910 more than the average for the five years previous." This is a bold statement, and as disingenuous as it is bold. The average imports for those five years, as the Trade Returns show, was 107,456,865 lbs., and the average duty paid was \$2,313,286, or \$2.15 per 100 lbs. Last year the quantity imported was 136,406,513 lbs., or 28,949,648 lbs. in excess of the five years average, upon which the duty collected was \$2,459,142, or an average of only \$1.80 per 100 lbs. Under the average tariff of the five years 1874-8, therefore, the duty on the sugar imports of last year would be \$477,422 more than the actual amount received, instead of \$154,910 less as stated by the Finance Minister, showing a mistake in his calculation of \$632,332! But if, instead of taking the average duty for the five years 1874-8, we take the average for the two years 1877-8, the result will be much more striking; it will show a total loss of revenue on the importations of last year of \$725,000, or very nearly 30 per cent. of the whole amount collected. This, then, is the actual result to the revenue, after adding 25 per cent. to the taxes.

#### WHAT IS THERE TO SHOW FOR IT?

It has been shown that the price of sugar has been increased to the consumers, and that the refiners have been enabled to make about \$1,400,000 a year more than fair competition in the foreign markets would tolerate. What is there to show for it? The Finance Minister points to the employment of 885 men, and that is all. Their wages are not paid out of any portion of the \$1,400,000, unless, indeed, that sugar refining is conducted in Canada at a much greater cost than in other countries in which the cost of labor and raw material is not any less. The New York refiners who sell granulated sugars in the open market at \$6.20 per 100 lbs. pay all the costs of production out of that figure, and make a living profit besides. The Canadian refiners can hardly do any less, and on the most liberal calculation of cost they are making a yearly profit of \$1,400,000.

#### A FAR BETTER WAY.

It is a tax which the Government enables them to impose on the whole country, and in return 885 men are given employment at low rates of wages—the average being \$400 a year. In great Britain the sugar refiners estimate that one man can turn out 350,000 lbs. per annum, and at this rate 300 men in Great Britain can do the work which in Canada it requires 885 men to do. But assuming that 885 men are given steady employment at \$400 a year; that amounts to just \$354,000, and they cannot distribute more than that sum for the maintenance of their families. For the sum of \$1,400,000 which the country pays to the refiners over and above living profits, the Government, or any favorite under it, could support 3,500 families in the country, and could distribute them over all the provinces of the Dominion, with nothing else to do than to spend their \$400 a year, and eat up the flour, the butter, the corn and the chickens which the farmers would have to sell—and this would be far better than giving it to swell the fortunes of half a dozen men already rich.

#### THE WAGE-EARNERS' GRIEVANCE.

Working-men complain that the tariff has made everything they eat and wear artificially dear; that the price of commodities is out of all proportion to the price of labor. They say that one dollar now

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will buy less of food and clothing than sixty cents would buy four years ago, and they can only get an increase of wages by strikes all along the line. In this one article of sugar alone the tariff has increased the price by the enormous annual sum of \$1,500,000, not one dollar of which goes into the public treasury. The workmen pay their full share of it; it comes out of their daily wages, and it goes into the overflowing coffers of the Government's lucky friends, the sugar refiners. The tax is nothing short of an outrage, and it will be the people's own fault at the next election if they fail to get redress.

#### **SUSTAINING THE MONOPOLY.**

The Liberal party in the House of Commons has shown its friendliness to the industries of the country in too many ways to have its attitude on the sugar monopolies misunderstood. It affirms and believes that it is possible to carry on the business of sugar refining in Canada on a basis of justice to consumers and producers, and it was with this object in view that the following resolution was moved by Mr. Paterson, of Brant, seconded by Mr. Gunn, of Kingston:

"That the Speaker do not now leave the chair, but that it be resolved—

"That under the operation of the existing duties on sugar the people have paid, and are liable to pay for that article a price largely in excess of the cost abroad of sugar after adding the Canadian duty and freight to the point of consumption:

"That the duties on sugar are excessive, and should be so amended as to reduce the great burden they impose upon the people."

The resolution was lost on a vote of 36 Yeas to 85 Nays, the Nays signifying thereby that they were content that the great burden imposed upon the people should remain unadjusted and undisturbed.

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## **COTTON AND WOOLLEN DUTIES.**

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### **A TAX THAT FAVORS THE RICH AT THE EXPENSE OF THE POOR—ENORMOUS PROFITS OF THE COTTON LORDS.**

On April 26th, 1882, upon motion made by Sir Leonard Tilley to go into Committee of Supply, Mr. Anglin moved in amendment, that Mr. Speaker do not now leave the chair, but that it be

*Resolved*,—That the system and scale of duties on cotton and woollen goods have resulted in the imposition of a rate of taxation on those articles chiefly used by the masses inordinately high, and greater than the rate imposed on those articles chiefly used by the rich, and that the said duties should be amended so as to reduce the rate of taxation on the masses, and to make it more nearly proportionate with that levied on the rich.

#### **THE POOR MAN'S WOOLLENS TAXED UNDULY.**

In support of this amendment facts were laid before the House by Mr. Anglin and Mr. Blake that set forth the inequalities and the injustice of the tariff to the great bulk of consumers in a striking light. It was shown that as regards woollen goods the rate of duty upon the lower grades, such as are usually worn by farmers, mechanics, and



working-men is upon the average twice as great as upon the higher grades, such as are worn by the wealthier classes.

Blankets, costing in England 1s. 11½d. per pound, pay a duty of 35 ¢ cent.

"	"	"	1s. 5d.	"	"	43	"
"	"	"	1s. 1d.	"	"	49½	"
"	"	"	9d.	"	"	61	"
"	"	"	7½d.	"	"	70	"

Heavy pilot cloths pay..... 50 to 80 "

While various grades of cheap cloth pay from..... 39 to 50 "

Expensive Scotch tweeds pay from..... 23½ to 25 "

And fine broad cloths only..... 23 "

In every case the duty is found to bear most heavily upon the purchasers of the cheaper kinds of woollen goods, and consequently it imposes the heaviest burdens on the classes least able to bear them.

#### THE POOR MAN'S COTTONS TAXED UNDULY.

In cotton goods the same state of matters is found to exist. The duty upon the cheaper class of goods is much higher than upon the better grades, the average being 30 per cent. on grey and bleached cottons, 35 per cent. on plain and striped denims, and 45 per cent. on the cheaper grades of heavy colored shirtings.

On Congress shirting, a superior article worn by the rich and well-to-do, and costing the importer 11½ cents per yard, the duty is 23 per cent.; while on Oxford shirting, a cheap grade worn by the poor, and costing the importer 5½ cents, the duty is 42 per cent.

A great number of instances might be cited, but the above will suffice.

The assertion holds good in all cases that the woollen and cotton goods required by the poor are taxed much more heavily than the higher and more expensive grades of goods worn by the rich. The N. P. is essentially a rich man's tariff.

#### THE PRICES OF COTTONS STEADY IN FOREIGN MARKETS.

The variations in the cost of raw cotton since 1879 have not been sufficient to exercise any marked influence upon the price of goods, and the assertion that any advance in Canadian goods has been coincident only with an advance in the foreign article is not true. Two short tables showing the range of prices in England in particular articles will illustrate this. Here are the quotations of the celebrated Horrock, Miller, & Co. in "A" cottons, and of Finlay & Co. in "J" cottons:

##### HORROCK, MILLER & CO.'S QUOTATIONS.

December, 1878.....	3½d.
March, 1879.....	3d.
August, 1881.....	3¾d.

##### FINLAY & CO.'S QUOTATIONS.

January, 1878.....	37d.
" 1879.....	38d.
" 1880.....	3½d.
" 1881.....	3½d.
" 1882.....	3¾d.

These quotations will suffice to show that the market abroad for cotton goods has been nearly steady during the above period. The one shows an increase of only ½d. and the other a decrease of ½d. between the first and last quotations.

#### RUNNING UP PRICES UNDER THE N. P.

But turn to Canada, and see how the cotton lords have profited at the people's expense, under the protecting *egis* of the N. P. There

has been a sharp and steady *increase* in prices from the start. Take first the two brands of the Hochelaga grey cottons most extensively used:

QUOTATIONS OF HOCHELAGA GREY COTTONS.

Grey H H H cotton—	Jan. 1879.....	7.17 cents.
“ “ “	Year, 1879.....	7.40 “
“ “ “	Dec., 1881.....	8.62 “
“ XX “	Jan., 1879.....	8.09 “
“ “ “	Year, 1879.....	8.32 “
“ “ “	Dec., 1881.....	9.37 “

Take next two grades of Valleyfield bleached cottons, again selecting the brands most largely consumed:

QUOTATIONS OF VALLEYFIELD BLEACHED COTTONS.

Bleached X cotton—	Oct., 1878.....	5.40 cents.
“ X “	May, 1879.....	5.85 “
“ X “	Year, 1879.....	5.92 “
“ X “	Dec., 1881.....	7.12 “
“ OO “	Oct., 1878.....	7.42 “
“ OO “	May, 1879.....	7.87 “
“ OO “	Year, 1879.....	7.95 “
“ OO “	Dec., 1880.....	9.12 “

Here there is *no decrease*, as in the English quotations of Finlay & Co., but an *increase* in the Hochelaga brands of greys of 1.45 cents and 1.28 cents per yard respectively, and in the Valleyfield whites of 1.72 cents and 1.70 cents per yard. This is only one more illustration of how the tariff affects the mass of consumers, taxing them for the benefit of men who had made handsome fortunes under a fair and reasonable tariff. Yet the Finance Minister and his supporters have

**THE ASSURANCE TO TELL THE PEOPLE**

that they are paying no more for cottons now than they were four years ago! Do they credit the people with losing memory and intellect in those four years? Is there a housewife in the whole Dominion who could not give the lie to their utterances? A careful comparison of the prices of the various grades of Canadian grey cottons shows that the average increase of price at the mills between December 31st, 1879, and December 31st, 1881, is 14 per cent., while the increase of duty upon the same class of goods amount to  $12\frac{1}{2}$  per cent. It is absurd, therefore, to talk about the increase in the tariff having no effect upon the price of Canadian goods. The facts uniformly show that those goods are sold just far enough under the cost of the imported article, with duty added, to enable the Canadian manufacturer to secure the sale, and to this end a slight concession only is necessary.

**THE INCREASED COST OF GOODS DUE TO THE TARIFF.**

The effect of the tariff has been to impose an enormously added tax upon the cotton and woollen goods we buy of Great Britain and the United States. The cost of Canadian cottons is, on the average, over 25 per cent. higher than the same goods could be imported for free of duty. This is a great stroke of fortune to the Canadian manufacturers, for under it the cost of domestic production is increased to the extent of \$1,000,000 per annum, which large extra sum the people pay.

Our imports of cotton goods last year paid a duty of \$2,271,937, which was \$486,156 more than would have been paid under the old tariff.

Our imports of woollen goods last year paid a duty of \$2,345,627, which was \$815,773 more than the same goods would have paid under the old tariff.

The Canadian consumers, therefore, paid in the fiscal year 1880-81 \$1,301,925 more for imported cotton and woollen goods than would have been paid under the previous tariff, and in addition they paid a sum exceeding the extra duties for the increased cost of Canadian cottons and woollens due to the increase of tariff rates.

#### **ENORMOUS PROFITS OF THE COTTON LORDS.**

Before the change of the tariff Canadian cotton mills were making profits that ought to have been satisfactory, and in the natural course of events those profits would have largely increased without any tariff changes. The change in the United States that brought about a great revival there and in Canada took place in 1879. But even without an improvement in the business of our cotton mills, such as a revival in trade was sure to bring, they did not need additional protection. The Hochelaga mill made 27 per cent. upon its capital in 1878, and it is believed that none of our cotton mills made less than 10 per cent. that year. Surely these were profits enough to satisfy the demands of reasonable men. But the Government had favors in its gift, and it bestowed them bountifully, if not wisely. Since the change in the tariff, Canadian cotton mills have made profits so enormous that the attempt in many instances has been made to conceal the amount by watering stock, and applying earnings to the enlargement of capacity.

#### **THE HOCHELAGA MILL**

had a capital of \$400,000 in 1878. The stock has since been watered by one-third the original amount. The cash dividend the last few years has been 10 per cent.—equal to  $13\frac{1}{3}$  per cent. on the original amount. Since the new tariff the mill and machinery have been doubled and then trebled out of the earnings. The watered stock is worth \$275, and the actual net profits on the real *bona fide* capital of \$400,000 is 50 per cent. per annum—\$200,000 a year over and above all expenses on a capital of \$400,000! That is what the N. P. is doing for the cotton lords who own the Hochelaga mill.

#### **THE VALLEYFIELD MILL,**

which has not been in operation as long as the Hochelaga one, was started with a capital of \$374,000. That stock has been watered up to \$500,000. The dividend last year was 20 per cent., equal to 27 per cent. on the actual cash stock, besides which \$23,000 was set aside to rest account, and \$15,000 spent in improvements and additions, thus making the actual net profits on the original stock 37 per cent. The stock of this company is worth 187, equal to \$215 on each \$100 of the actual cash stock originally invested. Valleyfield stock is as good as a bonanza mine to the fortunate ones who own it, and it will continue so to be so long as a long-suffering people will submit to pay the high tax which the tariff enables the manufacturers to impose and collect.

#### **A REDRESS OF THE GRIEVANCE REFUSED.**

The discussion upon Mr. Anglin's motion clearly proved that the duties upon cottons and woollens are unequally distributed, and bear harshly and cruelly upon the poor. The plea of necessity cannot be raised, for we have a large surplus revenue. The cotton manufacturers

are not entitled to the increased protection mainly at the expense of the poor and the middle classes, for their profits were high enough before the duties were raised, and are now enormously and unjustly high.

The amendment asked for the redress of a grievance affecting the great mass of the population of Canada, and in the interests of justice and fair play it should have been granted without a dissenting voice.

It was rejected by a strict party vote. Yeas (Liberal), 52 ; Nays (Tory), 118.

## THE DUTIES ON COAL.

### Why they were Imposed, and why they have Utterly Failed of their Object—An Odious Burden on the Few.

The duties on coal are a leading feature of the so-called National Policy. They were imposed with the view of giving to Nova Scotia miners the markets of Ontario and Quebec, of keeping American coal out of the Dominion, and securing Canada for the Canadians. At first a uniform duty of fifty cents per ton was placed on hard and soft coal, although none of the former is found in Canada ; afterwards the duty on soft coal was increased to sixty cents per ton. The tax has been paid all right enough ; it has gone into the public treasury, and helped to make the boasted four millions of surplus. But has the object of the Government been realized ? Has it given to Nova Scotia miners the markets of Ontario and Quebec, or shut American coal out of the Dominion ? A short and simple statement of facts will show that it has not.

#### THE SOLID FACTS.

In 1877-8, the last full year before the tax was imposed, there were imported into Ontario from the United States 588,412 tons of hard and soft coal. In 1880-81, with the tax imposed, there were imported 810,970 tons. Instead, therefore, of American coal being shut out and Nova Scotia coal getting the market, the supply of American coal has been increased by 222,558 tons, and the Ontario consumers are made to pay an extra tax of \$400,000. Another fact is supplied by a return presented this year to the House of Commons, showing the quantity of coal carried from Nova Scotia ports through the St. Lawrence Canals and St. Ann's Lock on the Ottawa. Through the former, in 1877-8, it was 36,626 tons, and in 1880-81 it was 31,402 tons. During the latter, in 1877-8, it was 52,644 tons, and in 1880-81 it was 49,057 tons. In 1878 the total was 87,270 tons, and in 1880-81 it was only 80,459 tons.

#### WHY THE DUTIES HAVE FAILED OF THEIR OBJECT.

These facts show conclusively that the coal duties have failed of their object. The Nova Scotia miners have not got, and cannot hope to get, the home markets that the Government promised them. And the reason is obvious : they are one thousand miles farther away from the Ontario markets than their Pennsylvania rivals.

From New Glasgow in Nova Scotia to Toronto is 1,158 miles—666 miles over the Intercolonial and 498 over the Grand Trunk.

Under a special arrangement made by the Government with the Grand Trunk, that railway carries coal by the car load from Chaudiere Junction to Toronto at the very low rate of \$1.76 per ton, or just *one-third of a cent* per mile. The rate from New Glasgow to Chaudiere Junction over the Intercolonial—162 miles longer than the Grand Trunk haul—is only \$1.78 per ton, or *one-fourth of a cent* per mile. This makes \$3.54 per ton for the whole distance. Add the price of coal at the New Glasgow pits, which is \$1.72 per ton, and the cost, laid down in Toronto, is \$5.26 per ton.

The freight at the same low rates to London—a distance of 1,279 miles from New Glasgow—is \$44.52 per car load, or \$3.96 per ton. Add the price of coal at the pits, and the cost, delivered at London, is found to be \$5.68 per ton.

To Hamilton—a distance of 1,198 miles from New Glasgow *via* the Great Western from Toronto, or 1,224 miles *via* the North-Western from Georgetown—the freight is \$45.84 per car load, or \$4.08 per ton. Add the price paid to the coal miners, and the cost to the Hamilton dealer is \$5.81 per ton.

From Pittsburg in Pennsylvania to Toronto is only 360 miles, and the cost of freight, as given by Sir Charles Tupper, is \$2.40 per ton, or *two-thirds of a cent* per mile—about three times the Intercolonial rate, under Sir Charles Tupper's own management. Add the price of soft coal at Pittsburg—which, with improved machinery in mining, is only \$1.22 per ton—and the duty, 60 cents per ton, and the total cost, laid down in Toronto, is \$4.22. Take off the duty, and the cost would be \$3.62, or \$1.64 per ton less than the Nova Scotia coal; with the duty imposed, the Nova Scotia coal is still undersold by \$1.04 per ton.

The cost, laid down in Hamilton (40 miles nearer Pittsburg), at the same rate for freight, is say \$3.82 per ton. Take off the duty, and the cost would be \$3.22, or \$2.59 per ton less than the Nova Scotia coal; with the duty against it, it outbids the Nova Scotia article by \$2 per ton. In London the difference would be very nearly the same.

With such odds against the Nova Scotia miners, and in spite of the discriminating rates granted by the Government over the Intercolonial railway, and secured over the Grand Trunk, it is sheer folly to expect that their coal can ever be sent into Ontario with profit. They are handicapped to the extent of at least \$2 per ton. The duty is no advantage to them, and it is a heavy burden on the ones who pay it.

#### BUT WHO PAYS THE DUTY?

Sir Leonard Tilley says producers and consumers pay one-half each. Sir Charles Tupper, in his character of "great stretcher," says whatever suits the occasion. In his speech on the Budget in 1878 he said the consumers paid it, just as the consumers of coal oil in the Lower Provinces paid the coal oil tax. He said the same thing to the electors of Pictou last year, telling them that the people of Ontario paid \$400,000 on coal duties, and to that extent he said the people of Nova Scotia were relieved from taxation. In his speech on the Budget debate this year he said that the American producers paid the whole of it. But Sir Charles Tupper may be left to dispute the question with himself.

It is very well known in Ontario and Quebec who pays the duty on coal. It is well known that American dealers fix the price on the first day of each month for the month, that no change is made in it until the price is fixed again, and that in dealing with a buyer they don't



ask or care whether he lives in Toronto or Montreal, Chicago or New York. With a market of 66,000,000 tons in their own country they are not likely to sell a paltry 1,000,000 tons to foreign customers at 50 or 60 cents below the market price, more especially when the foreign customers are dependent on them for supplies.

The simple fact that the average price of coal is 70 to 75 cents higher in Sarnia than in Port Huron, and in Windsor than in Detroit—places only a mile apart on opposite sides of the international line—ought to settle the question of who pays the duty to every man of average common sense.

#### **WHY THE DUTIES OUGHT TO BE STRUCK OFF.**

There are many reasons why the coal tax ought to be repealed—why it should never have been imposed. It will suffice to indicate a few.

1. The tax is not fairly distributed. It is paid by people in the towns and cities, where coal is cheaper fuel than wood. Nine-tenths of the people of Ontario have never directly paid a dollar of coal tax. The remaining tenth, which includes the mass of artisans and working-men, bear the whole load—a tax of \$400,000 a year.

2. It is a tax on industries. Every blacksmith's shop in the country and a great many factories and machine shops are made to pay it, and it goes to swell the cost of production.

3. It is a tax on railways and steamships—making freight and passenger traffic dearer, or else keeping down profits and robbing working-men of their wages.

4. It is an unnecessary tax. The revenue of the country is \$4,000,000 in excess of requirements.

5. It has failed of its object. It has not given the Ontario markets to the owners of Nova Scotia mines, and it never will.

Those reasons amply justified the Liberal party in the House of Commons in asking for the repeal of the coal duties, but Mr. Laurier's motion to that end was opposed by the whole strength of the Government, and was defeated on a vote of 120 to 47.

#### **AN UNJUST AND ODIUS BURDEN.**

The coal tax is an unjust and odious burden on the few who are forced to pay it. It is revolting to every sense of justice and fair play, and the tax, and the Government that imposed it and stands by it, must go down together.

### **DUTIES ON FUEL AND BREADSTUFFS.**

Following is the text of a resolution moved in the House of Commons last session by Mr. Laurier, on the subject of 'the fuel and breadstuffs duties':

"That Mr. Speaker do not now leave the chamber but that it be resolved that, in the opinion of this House, the public interests would be promoted by the repeal of the duties imposed on coal, coke and breadstuffs, free under the former tariff, and by these articles being made free."

The Government and their supporters opposed the resolution in full force, and it was defeated by a vote of 47 yeas to 120 nays.

## THE DUTY ON IRON.

**It is an Injury to the Iron Industry, and Largely  
Increases Prices to Consumers.**

The duty on iron is one of the strong features of the National Policy. It was imposed with the object of promoting the manufacture of steel and iron in the country, but it has failed to render the industry any service whatever. The Canadian Steel Company in Nova Scotia is the one concern which might be benefited, but the advantage which the N. P. professed to give with one hand it took away with another. The duty of \$2 per ton on pig iron, the agents of the Company declare, is barely adequate to counterpoise the duty put on coal, and it "will neither encourage the Steel Company to enlarge its operations nor be likely to induce other companies to establish iron works in this country." It has neither aided the manufacturers of iron by making their business more profitable, nor given them the home market; but it has largely increased prices to consumers. The following tables show at a glance how it has operated:

### IMPORTS OF IRON.

	Tons.	Value.	Average Duty.	Duty Collected.
1878.....	86,662	\$2,852,644	3½ per cent.	\$104,289
1881.....	135,243	3,299,188	13½ " "	441,631

### IMPORTS OF MANUFACTURES OF IRON.

	Value.	Average Duty.	Duty Collected.
1878.....	\$4,449,997	13½ per cent.	\$ 606,880
1881.....	5,115,686	24 " "	1,226,889

It is clear that the duty did not have the effect of shutting out foreign iron or the manufactures of it, for a much larger quantity of both were imported last year than before the duties were increased. It is equally clear that it has added very considerably to prices, for while in 1878 the average duty on iron and manufactures of iron was only 9 7 per cent., the average in 1881 was 20 per cent.

### EFFECTS OF THE HIGH TARIFF.

The prices for iron landed in Montreal have kept pace year by year with the corresponding prices in Liverpool, and the Londonderry manufacturers (the Canadian Steel Company) have taken advantage not only of the insurance and the duty, but of the damage suffered by iron imported from Great Britain.

Agriculturists compose the great mass of our population, and the cost of all their implements has been increased by the duty without any corresponding gain. Lumbermen employ 75,000 men, and the prices of saws, axes, files, chains, &c., have been increased to them at an average rate of \$12.50 on every \$100; so with blacksmiths, who number over 10,000 men; so with coopers, who number 3,500 men; so with cabinet-makers, who employ 5,000 hands; so with carriage-

makers, who employ 8,000 or 9,000 hands ; so with the agricultural implement factories, which employ 3,000 hands ; so with the nail-tack makers, who employ 1,000 hands.

In nearly all those industries the manufacturers possessed the home market before the N. P. existed, and the only effect of the heavy duty on iron has been to increase prices and lessen profits. The average increase last year over the prices of 1878 was \$10.30 on every \$100, and no manufacturer is the richer for it.

#### **THE LIBERAL POLICY.**

The Liberal party believe that any addition to the price of iron is a burden to every class and industry of the country ; and, therefore, not merely on behalf of the manufacturers, but also on behalf of the people, they claim that this burden should be taken from the industries of the country in order that the people may obtain from the domestic manufacturers and importers goods at more reasonable rates. It was in this spirit that, during the late session of Parliament, the following resolution was moved by Hon. Mr. Burpee :

‘ That Mr. Speaker do not now leave the chair, but that it be resolved that pig, bar and sheet iron, boiler plate and tubing, are raw materials for a large number of important Canadian manufacturers in extensive use.

“ That the increased burden of duties now imposed on such materials enhances the cost thereof to the damage of both the manufacturers and consumers, and that the duties on such materials for manufacturers should be reduced so as to enable the manufacturer to supply the consumer at a lower cost.”

The Government opposed the resolution, and it was rejected by a vote of 47 yeas to 114 nays.



# THE TREATY-MAKING POWER.

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Canada's Right to Develop her own Resources.  
 She is no longer an Ordinary Depend-  
 ency of the Crown.

From the moment that our sturdy Reform forefathers—whose eloquent advocacy of the noble principles they professed could not be silenced by the bitter opposition of Family Compactism, and whose ardent patriotism could not be quenched by the never-ceasing persecutions of the Tories of their day—gained for their beloved country, by their struggles, the priceless concession of representative and responsible Government — from that moment, we repeat, Canada was no longer an ordinary dependency of the British Crown. She proudly stepped to the first place among colonies, if a self-governing nation may be termed a colony. She felt herself every inch a nation, and from the first has acquitted herself so as to deserve the confidence of the Imperial authorities, vindicate the pledges of the Reform party, and deserve the plaudits of all civilized countries. For forty years she has ruled herself, enjoying during that period a contentment and tranquillity to which she had ever before been a stranger. Of recent years her people have very laudably become alive to the absolute necessity which exists for a further concession—a concession, too, which naturally enough flows from the first one, viz.,

## THE RIGHT TO MAKE HER OWN TREATIES,

or, at least, have a voice in making those the provisions of which she must observe by reason of her connection with the British Crown, in which alone still resides the power of framing all the treaties which affect the Kingdom of Great Britain and Ireland, and all her colonies. This concession is one which can be made without detracting from the dignity of the empire, and one which, in spite of the old Tory *fogyism* of the day, she will yet secure. The leaders of the Liberal party, in whose breasts dwells the spirit which animated our forefathers, have committed themselves to the acquisition of this second boon, and will never rest until it has been conceded. Mr. Blake, on the 21st of April last, brought the question before the House of Commons, in a speech which was so powerful in its patriotism, so irresistible in its logic, and so unanswerable, that it carried consternation into the ranks of his opponents, some of whom, who differ from him upon all other political issues, gladly cast their votes for the following resolutions, which he moved :

### MR. BLAKE'S RESOLUTIONS.

Mr. Blake moved that it be *Resolved*, That Canada no longer occupies the position of an ordinary dependency of the Crown; she numbers four millions of freemen trained in the principles of constitutional Government; she comprises one half of the North American continent, including seven Provinces federally united under an Imperial Charter, which recites that her constitution is to be similar in principle to that of the United Kingdom; and she possesses executive and legislative authority over vast areas in the North-West, out of which one Province has already been created, and in time others will be formed.

That special and increasing responsibilities devolve upon the Government and Parliament of Canada in connection with the development of her resources, the improvement of her condition, her general progress in the scale of nations, and her geographical situation, which renders her even more responsible than the Government of the United Kingdom for the maintenance of international relations with the United States.

That having regard to these considerations, there is no possession of the Crown, beyond the limits of the United Kingdom, which is entitled to such an ample measure of self-government, or so full an application of the principles of constitutional freedom, as the Dominion of Canada.

That it would be the interest of Canada to obtain more free access to the markets of the world, and that a more extended interchange of commodities with other countries would augment the national prosperity.

That in most of the treaties of commerce entered into by England reference has only been had to their effect on the United Kingdom, and the colonies have been excluded from their operation, a fact which has been attended with unfortunate results to Canada, especially as relates to France.

That the conditions of Canada, and the system on which her duties of Customs have been and are now imposed, vary widely from those existent in the United Kingdom, and open to the basis and negotiation of commercial arrangements with other States or British possessions views and considerations which do not apply to the case of, or harmonize with the policy of, the United Kingdom; which it is difficult for the Government of the United Kingdom to advance; and which can be best realized and presented by the Government of Canada through a negotiator named by her for the purpose of providing separate trade conventions with countries with which Canada has, or may expect, distinct trade.

That the complications and delays involved in the reference to the Departments of the Government of the United Kingdom of points arising in the course of trade negotiations enhance the difficulties of the situation, and diminish the chances of success; and have already resulted in loss to Canada.

That it is expedient to obtain all necessary powers to enable Her Majesty, through her representative, the Governor-General of Canada, acting by and with the advice of the Queen's Privy Council for Canada, to enter by an agent or representative of Canada into direct communication with any British possession or foreign State, for the purpose of negotiating commercial arrangements tending to the advantage of Canada, subject to the prior consent or the subsequent approval of the Parliament of Canada signified by Act.

### GROWTH AND DEVELOPMENT OF CANADIAN LIBERTIES.

Mr. Blake in the course of his speech pointed out that he believed such changes had taken place in Canada, that the time had arrived for a definition of the views of the representatives of the people of this country on this subject. There had been an almost continuous growth and development. The underlying principle and spirit of the constitution had been the development of the popular principle of

government, and this had been continuously enforced and realized in a greater extent as there existed and was made apparent a greater capacity in the people to exercise

### THE POWERS OF SELF-GOVERNMENT.

No one could survey the condition of the British Empire without being convinced not merely that a cast-iron system applicable to all the dependencies is impossible, but that the various dependencies of the empire present in their conditions and circumstances, in the character as well as the number of their populations, a problem which must be a changing problem from day to day, or at any rate from decade to decade ; that one community may in its circumstances and situation be fit for a greater, another for a less, another as yet for no share of self-government at all ; and therefore, taken as a whole, the relation of the empire to its dependencies must be one of flux, of change, of progress, just as in those days which preceded Confederation. He held that

### THE DRIFT OF EVENTS

in all British colonies was towards the Federative system, with constantly enlarging powers of self-government, and that Canada was the most advanced of any colony in political development, in familiarity with the principles and practice of self-government, in self-reliance, and ability to manage her own affairs. A fair and reasonable arrangement by which foreign markets may be obtained by Canadian domestic products, whether natural or manufactured, must redound to the benefit and advantage of all classes of the community, and be a gain to each class without being a loss to any. He maintained that while there were serious differences of opinion as to the effect of the tariff upon the manufacturing interests, in so far as it heightens the cost of the raw material, all were agreed about our ends though we might differ about our means. All agree that it is important to extend the trade of the country to enlarge its commercial relations, whether in natural or manufactured products, as far as we possibly can by

### SEEKING FREER COMMERCIAL INTERCOURSE.

Since the abrogation of the Reciprocity Treaty, nothing effectual had been done in the direction of procuring by negotiation and communication freer foreign markets and better trade. England in her commercial treaties had not helped us. She had as a rule regarded, in the making of those treaties, her own trade only. There had been much cry but little wool. We had been unable as yet to make any efficient progress. All our efforts had been complicated and embarrassed by overshadowing English interests, and by that complicated system of diplomacy which prevails under the existing arrangement. Mr. Blake illustrated his point by referring to

### THE RECENT DISASTROUS FAILURE

on the part of Sir Alexander Galt to effect an understanding with France, because he was hampered by the red-tapeism and circumlocution of the British Home Office, by which he was controlled in his negotiations. Having still further emphasized his contention in this respect, Mr. Blake asked "Who are so fit to negotiate as our own people, who thoroughly understand our situation, our capabilities, our wants, our requirements, what we have to offer, what we want to attain?" Mr. Blake continued :

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"I say this can be done effectually only by altering our system, and by dealing with the subject through our own negotiators, and according to our own views. But objections are made to this. What are those objections? The first is that our envoy would not be treated with respect. I repudiate that suggestion. The Queen is the Queen of Canada as well as the Queen of England, and an envoy sent by the Queen through her representative in Canada is the Queen's envoy as much as if he had been sent from the Court of St. James. Again, it is said we are a small country, and that our interests are trifling. That also I entirely repudiate. Suppose they are trifling, they will receive no more attention in consequence of the medium through which they are presented. In matters of trade the magnitude of the interests involved measures the attention attracted. The question in a matter of business is 'What have you to sell, and how much do you want from us?' Therefore, trifling interests will receive trifling attention, no matter by whom presented.

#### **ENFORCING TREATY PROVISIONS.**

Once again, it is said the United Kingdom would not go to war to enforce the provisions of any treaty that might be made. I do not believe they would. I do not hope they would. I think at this time, at this period in the world's history, it is preposterous to think that sensible people would go to war in order to keep their trade. The smallest war would create a greater interruption of the most restricted relations between two civilized countries than the breach of any treaty. I hope there is coming a better feeling, and that more and more we will learn to believe that for such treaties as this, at any rate, we have the best safeguard of their maintenance in the sense of honor and of justice of civilized nations and general public opinion throughout the civilized and Christian world. It is said that we cannot have the benefit of

#### **THE DIPLOMATIC SERVICE OF ENGLAND.**

Much good it has done us, Mr. Speaker. The history of the diplomatic service of England, so far as Canada is concerned, has been a history of error, blunder, wrong, and concession. It is certainly not a history which would lead us to believe that the service was especially valuable to us. The diplomatists of these modern times who have been most successful in matters of business have been those who have been most conversant with the matter in hand, who knew best the needs, the wants, the capabilities, the resources of the country, and the details of the question. Business men dealing with business questions are most successful. The wisest, best, and most accurate of diplomatists, if only crammed superficially, will make a miserable failure compared with a man of even less ability born to the soil and thoroughly familiar with the details of the matter in which he is concerned. But we should not lose the benefit of the diplomatic service of England. We could ask for it when we want it, and when we think our interests are concerned. Again, it is said it would cost a great deal to maintain a useless

#### **STAFF OF AMBASSADORS AND CONSULS.**

This is ridiculous, because our present system could be continued by which we would send an envoy when we want him, and when we think we are justified by the probable result. As to having, in consequence of this, consuls and permanent ambassadors at foreign capitals, that is quite out of the question. It does not follow because you negotiate a treaty from time to time, a treaty which in its essence is one enduring for some years, that you should have any representative at a foreign capital pending the existence of the treaty; and if the arrangement be by mutual legislation it is only when some proposals are made of change that the question of negotiation would arise. Then it is said that this is practically

#### **A SEPARATION FROM THE EMPIRE.**

I deny that with equal strength. To-day, as I have pointed out, we make laws to accomplish this result. To-day we have on the statute a law which



would enable us to-morrow, if the United States Congress would pass a certain provision, to alter our fiscal system entirely by order of the Governor in Council, in order to get better trade relations with them. To-day we have laws which would enable us to reduce the duties on articles which we import from France and Spain, if the French Government or the Spanish Government made laws or other provisions reducing the duties on certain other articles in which we trade with them. To-day, therefore, this matter is in such a position that all that is required is the intermediary, the negotiatory, to bring what we want into practical execution, by which foreign Governments will be induced to do that thing which by our statute we have said we would induce them to do, by which, without the intervention of the British Government at all, we would at once reduce our Customs duties. I cannot see how the interests of England would be prejudiced by our acting. Her interests are that the duties should be reduced; her advantages and interests are that we should arrange our fiscal system as best suits ourselves. If she have, which I do not believe, selfish interests,

#### **I DENY THAT SHE HAS THE RIGHT**

to judge between us and herself on the subject of our interests. I deny that she has the right to decide any more than we have the right to decide, and I maintain that by the law, by the constitution, by the amount of practical self-government which has been accorded to us, we have the right to decide for ourselves what our rate of duty shall be, and that is the whole of this question. I believe that by proceeding in this direction we shall be taking a practical step towards obtaining that which the country wants—towards obtaining an extension of our commercial relations; we shall be taking a practical business step in addition; we shall be doing matters of business in a business way. I believe we shall be acting on those same principles of growth and development to which I referred a while ago; that we shall be evolving those principles of vitality and development upon which the continuous growth and expansion of the empire really depend: that we shall be proceeding in the direction of accomplishing that on which the maintenance of the empire really does depend—such an organization of its internal parts, such an arrangement of its external relations, such a system—unsymmetrical and full of anomalies, if you please, but partaking of the federative character—as will be calculated to make it continue and exist more and more, not indeed as the arrogant dominator over any power, but as the might of moral force, proving as well by its internal organization as by its external relations the truth, by precept and example, of those principles of freedom, justice, and liberality which should sway the modern Christian world.”

#### **HOSTILITY OF THE CONSERVATIVE LEADERS.**

Mr. Blake closed his speech amid ringing cheers from all parts of the House. But Sir John Macdonald flaunted the “old flag” in the face of his followers; Sir Hector Langevin said the resolutions were disloyal to England; and the great majority of Conservative members were once more whipped into line. There is, therefore, no hope for the commercial independence of Canada so long as the party led by Sir John Macdonald and Sir Hector Langevin are able to command power and place. Sir John, as was declared by one of the French Conservatives who voted for the resolutions, is a man of the dead past; Mr. Blake is a man of the living present, and he is the hope of the Dominion.

The resolutions were lost,—58 members voting Yea, and 101 voting Nay. Six Government supporters voted with the minority, viz.: Girouard (Jacques Cartier), Houde, Ouimet, Coursol, DeCosmos, and McDougall.

